

CAPITAL PROJECTS ADVISORY REVIEW BOARD

**John L. O'Brien Building
504 15th Avenue, Hearing Room A
Olympia, Washington
August 10, 2006
9:00 AM**

Final Minutes

<u>MEMBERS PRESENT</u>	<u>REPRESENTING</u>	<u>MEMBERS ABSENT</u>	<u>REPRESENTING</u>
Gerald "Butch" Reifert	Design Industry	Sen. Dave Schmidt	Senate (R)
Rocky Sharp	Specialty Contractor		
Ed Kommers	Specialty Contractor		
Carolyn Crowson	OMWBE		
John Lynch (Chair)	General Administration		
Rodney Eng	Cities/Counties/Ports		
Raymond Rawe	Cities/Counties/Ports		
Larry Byers	Insurance/Surety Industry		
Duke Schaub	General Contractor		
David Johnson	Construction Trades Labor		
Olivia Yang	Higher Education		
Dan Vaught	School District Project Rvw Bd		
Nora Huey	Cities/Counties/Ports		
Wendy Keller	Public Hospital Project Rvw Bd		
Rep. Kathy Haigh (Vice Chair)	House of Representatives (D)		
Rep. Dan Kristiansen	House of Representatives (R)		
Sen. Phil Rockefeller	Senate (D)		

STAFF & GUESTS

Nancy Deakins, GA	Marsha Reilly, OPR
Searetha Kelly, GA	Dick Lutz, Centennial Contractors
Cheri Lindgren, Puget Sound Meeting Services	Larry Brubaker, King County Auditor's Office
Pam Johnson OST	Darlene Septelka, King County
Dick Goldsmith, AWPFD	Ashley Probart, Association of Washington Cities
Larry Stevens, MCA/NECA	Gary Baldasary, Washington State Ferries
Stan Bowman, AIA WA Council	Jack Archer, House Staff
Fred Jarrett, State Representative	

Welcome & Introductions – Chair's Comments

Chair John Lynch called the Capital Projects Advisory Review Board (CPARB) meeting to order at 9:10 a.m. A meeting quorum was attained. Everyone present provided self-introductions. It was noted that Ray Rawe and Duke Schaub are attending in the absence of Michael Mequet and Daniel Absher, respectively.

CPARB FINAL MINUTES

August 10, 2006

Page 2 of 13

Approve Agenda

The agenda was accepted as presented.

Approval July 13, 2006 Meeting Minutes

Larry Byers moved, seconded by Rodney Eng, to approve the minutes of July 13, 2006 as presented. Motion carried.

Public Comments

There were no public comments.

Brief Reports from Subcommittees

Data Collection – Darlene Septelka

Ms. Septelka reported work on the short web-based *Team Evaluation Survey* continues. She received one set of member comments since the last meeting and will circulate a document to CPARB within the next several weeks for review and discussion at the September meeting. She noted data collection is tied to draft legislative language.

Members discussed the status of the *Design Bid Build (DBB) Project Team Evaluation Survey* document GA is developing. Ms. Septelka clarified the short survey collects project data from owners, contractors, subcontractors, architects, and engineers at the conclusion of a project.

Chair Lynch reported the Department of General Administration (GA) is working on the web-based survey. GA e-mailed CPARB owners and requested members identify projects and a point of contact so GA can collect data. The survey includes data from alternative public works (APW) and conventional DBB projects. A goal is to attain a good cross-section of project information. The owner survey should be up and running within the next several weeks.

Discussion followed concerning whether to include owners authorized to use General Contractor/Construction Manager (GC/CM) in the Project Review Board process to inform future decision-making and entities required to appear before CPARB for approval of projects. Ms. Septelka said one question is what information above and beyond typical data the review board will need for “grandfathered” agencies.

Ms. Crowson said the timing of when the data are collected is also important.

Ms. Deakins reminded members that additional information on projects completed since the last survey will be solicited from each major agency. Ms. Septelka said a topic for discussion later is whether owners will have the ability to revise the data collected two years ago, if necessary.

Mr. Eng asked whether utility and road project data will be collected. The projects are DBB, but not necessarily comparable to most GC/CM projects. Chair Lynch replied GC/CM and DBB projects (above \$10 million) typically relate to structures, and structure-type building projects are better for comparison purposes.

Reauthorization of Alternative Public Works – Rodney Eng

Chair Lynch reported the Reauthorization Subcommittee reviewed legislation drafted by Ms. Reilly and Ms. Smith. Ms. Reilly referred members to the August 1, 2006 draft legislation document and the definition section on page 3. She reviewed proposed language defining “public body” and “experienced public body.” The “experienced public body” is intended to address “grandfathered” experienced owners. A list of experienced public bodies for DBB and GC/CM procedures is needed, as it is likely Chapter 39.10 will be rescinded.

Senator Rockefeller arrived at 9:30 a.m.

Ms. Reilly stated a new section 105, *Project Review Committee Created*, can be found on page 7. Duties consist of review and comment on the use of Design Build (DB) and GC/CM contracting undertaken by experienced public bodies with a minimum project cost of \$10 million and review and approve the use of the contracting procedures on projects that cost between \$5 and \$10 million. The committee will review and approve the use of DB and GC/CM contracting procedures proposed by public bodies that are not experienced with a minimum total project cost of \$5 million.

Ms. Keller inquired whether public hospitals are considered a “special purpose district.” Ms. Reilly said that was her understanding. Ms. Keller suggested listing public hospitals and K-12 specifically. Mr. Rawe added special purpose districts also include ports.

Mr. Kommers noted the task force is working to define experienced and inexperienced owners. There are issues the task force has approved that are not reflected in the draft document.

In response to an inquiry from Chair Lynch, Ms. Reilly said it was her understanding that establishing the review committee would be accomplished by statute.

Mr. Johnson referred to line 26 on page 7. He noted the current statute reads in part, “The use of the traditional method of awarding contracts in lump sum to the lowest *responsible* responsive bidder is not practical...” Ms. Reilly indicated she would follow up.

Chair Lynch reported Reauthorization Subcommittee members discussed two main issues - definition of experience and draft legislation. There are a number of comments he will forward to Ms. Reilly. The discussion concerned experienced users. A grandfathered user versus other users was not settled. The CPARB should have a role in the review, comment, and receive public comment concerning projects for experienced and/or grandfathered users. At the same time, CPARB would have a larger role in reviewing projects from new users. Open issues are whether CPARB reviews projects proposed by those currently authorized to use APW and what the submittal might look at and defining experienced users. Cities expressed a concern that something was being taken if they were required to obtain approval from the Board even though they haven’t used APW.

A draft of the minutes from the subcommittee meeting was sent to members.

Mr. Kommers said the task force has reached a stalemate concerning the remaining issues. He said he recommends elevating the issues to the subcommittee level.

CPARB FINAL MINUTES

August 10, 2006

Page 4 of 13

Chair Lynch said the group meeting next week could include crafting a definition for experienced owners that can be forwarded to the subcommittee. Creating a central point to review APW projects is helpful. However, he said he is reluctant to exclude some agencies. It's important to have a forum to discuss the issues. Mr. Schaub agreed and questioned the purpose of CPARB if it does not at least review and comment on new projects. There are currently authorized entities that have only completed one APW project and they may not propose another for some time. Those entities should be required to come back to CPARB and obtain approval for future DB or GC/CM projects. The industry is interested in a review process that is credible, where projects are successful, and the goals under which the legislation was initially created are achieved. The process should continue through the next sunset period.

Ms. Keller said she is interested in language that allows smaller public hospitals to bring projects that meet the criteria, but fall below the \$10 million threshold. Chair Lynch conveyed that the subcommittee concurred there are unique projects that would benefit from GC/CM contracting. Ms. Keller noted members of the review board have had difficulty with private sector membership and ethics. If ethics are strictly interpreted, members on the Board can't compete for the work. However, the process concerns whether a project is appropriate for use of a contracting method(s). Private sector membership is very important. She said she doesn't want to lose that element in the process. Mr. Schaub agreed.

Mr. Johnson echoed Mr. Schaub's comments from a labor perspective. GC/CM is a good piece of legislation provided it is applied properly, monitored, and used the way it was intended. The CPARB has until the next sunset period to assess whether APW is working or not. Discussion followed concerning school district applications. Chair Lynch stated it was determined that six out of the eight school district projects are appropriate for using APW contracting.

Mr. Eng said he agrees future task force meetings may not be productive. However, there are several unresolved issues. He asked whether the subcommittee should meet twice a month to resolve the tasks. Another option is whether it is time to bring the issues forward to the CPARB for discussion and resolution. Another issue is the question of what is meant by "review." The CPARB is conducting reviews at different levels and timeframes.

Representative Haigh said not all of the information is known at this time. She suggested the Board reach an agreement on as many of the issues as possible and make the commitment to continue working on the issues. CPARB will be able to make better decisions and identify potential conflicts as more information is gathered and analyzed. It is important to draft legislation that the CPARB can support. Otherwise, it will be difficult to move legislation forward.

Mr. Johnson said the Data Collection Subcommittee will need to continue to collect information as the review board is established and begins to review projects. Data collection and establishing the review board are on parallel paths. As the data are completed, the Board can use the information to inform future decision-making for APW processes.

Ms. Septelka said she envisions the Data Collection Subcommittee reviewing data and reporting back to CPARB on an annual basis, prior to the next legislative session.

Discussion ensued concerning whether the owner and/or contractor task forces should meet one more time to try to resolve outstanding issues. Mr. Eng noted attendance at the task force meetings is directly proportionate to the interest and lack of agreement on some of the issues.

CPARB FINAL MINUTES

August 10, 2006

Page 5 of 13

Ms. Yang said the subcommittee acknowledges concerns about the need for a central review board. Higher education is not opposed to reporting data or to public hearings, but is concerned about the mechanics of how a review board will function. She said she would like to gather more information concerning the application forms, process, and timing between now and the next subcommittee meetings. Members previously agreed to discuss a definition for experienced owners.

Expansion – Olivia Yang

Staff distributed copies of the subcommittee's August 10, 2006 report. Ms. Yang conveyed that the proposed legislative changes attached to the subcommittee report represent a third draft that incorporates comments from the design committee, cities, and GA concerning DB procedures. She asked members to review the draft language for discussion and ratification at the subcommittee's next meeting. The subcommittee will then forward the language to Ms. Reilly for draft legislation. The owner issue was purposely left out. There was support to separate the different procurement methods, i.e., GC/CM and DB would have their own dollar thresholds. She reviewed upcoming expansion subcommittee, owner's task force, and experienced owner meeting times for September 7, 2006.

Chair Lynch requested clarification that the subcommittee will discuss DB and report to CPARB prior to sending language to Ms. Reilly for legislation drafting. Ms. Yang replied that is correct. Chair Lynch referred to DB and said the subcommittee members seemed to generally agree with the changes proposed up to "operate/maintain." Ms. Deakins said a motion from the Board is appropriate concerning whether to forward the draft for legislative language.

Mr. Schaub said the subcommittee would probably be able to forward the draft to Ms. Reilly for legislation language following one more review.

Ms. Yang said the subcommittee agreed to increase the work order limit to \$350,000 for job order contracting (JOC). There was discussion around the number of JOC contracts per public body and the total amount of each contract. JOC projects will not come before the review committee.

Discussion ensued concerning whether to separate the JOC component as a separate bill for the Legislature. Ms. Reilly described how the proposed new JOC chapter is structured. The proposed legislation flows better as one bill. She said she could work with the code reviser to make sure it's located in the proper place, but there are no guarantees. It is difficult to add a separate bill in the codified language for organizational purposes.

Mr. Eng said if the intent is to repeal Chapter 39.10, his concern is not to totally lose JOC. The lack of momentum behind a second bill could cause it to fall through and not pass at the end of the session. He said he does not want to lose JOC authority.

Mr. Schaub indicated members should be aware that there are small business organizations not represented on the CPARB that have a strong interest in JOC issues. Initially, there was controversy around the issue of authorization in terms of individual JOCs, the total limitation of how many JOC contracts a single entity could undertake in a given year, and the overall capacity level. There is a danger that including JOC could significantly slow down legislation for GC/CM and DB procedures.

Mr. Johnson conveyed that Mr. Schaub's observations are also a concern to labor, as there are small contractors looking to do JOC work.

CPARB FINAL MINUTES

August 10, 2006

Page 6 of 13

Mr. Eng said perhaps his concern could be addressed in part by not repealing Chapter 39.10 in its entirety. The definition for public owner could be retained, which is the only cross reference to JOC. Ms. Reilly said she will work with the code reviser.

Discussion followed concerning the pros and cons of separating the JOC component and possibly creating a single bill with an entirely different section towards the end of the legislative session.

Chair Lynch said the subcommittee discussed and generally agreed to keep JOC as a separate bill. Perhaps CPARB could take action on the matter to provide clear direction. Mr. Schaub suggested the Chair and legislators talk with Ms. Reilly about tracking legislation, and how to incorporate JOC in the same context of alternative procurement. Chair Lynch said the main focus is APW, not including JOC. However, JOC is important and the Board doesn't want the JOC component to slow down or sabotage the remaining legislation.

Ms. Crowson noted JOC is an important piece, but it might not be ready for the upcoming legislative session.

Some members expressed interest in learning more about the history around JOC.

Mr. Kommers conveyed that he's not a fan of GC/CM contracting this week. He provided an example demonstrating the need for an ongoing review process that involves a GC/CM project for a large school district and a bid on a mechanical package. The school district received one bid that was over the estimate. Without rejecting the bid, the bid was set aside, and the owner proceeded to solicit bids from mechanical contractors to see if they could secure a more competitive price. Following a telephone call he made, the owner issued a bid form on a self performed package and listed the mechanical as an alternate to solicit internal bids. It was portrayed as a public bid, but there was no base bid.

Dick Lutz, Centennial Contractors, said he could share data on the three state JOC projects, which could help with the Board's deliberations. Mr. Lutz agreed with Mr. Kommers that whatever the procurement method, the Board needs good information to make quality decisions.

Chair Lynch recapped the subcommittee report by indicating that there is a draft of possible language changes to the JOC section within Chapter 39.10. He concurred with Mr. Schaub's suggestion to talk to Ms. Reilly and others about the best way to split JOC if necessary so one topic doesn't interfere with the other. He will report to CPARB at the next meeting.

Chair Lynch recessed the meeting from 10:33 a.m. to 10:52 a.m. for a break.

Draft Legislation

Ms. Reilly reported the draft bill is organized into five sections:

- Section 100 – General Provisions
- Section 200 – Design-Build
- Section 300 – General Contractor/Construction Manager
- Section 400 – Job Order Contracting
- Section 500 - Other Provisions

CPARB FINAL MINUTES

August 10, 2006

Page 7 of 13

She reviewed the draft bill changes beginning with Chapter 101, *Finding – Purpose*. It is up to the CPARB whether to revise the language or delete it in its entirety. Chapter 102, *Definitions*, includes definitions from DB and GC/CM. A definition for Maximum Allowable Construction Cost (MACC) is needed. There are other definitions within the JOC section that are not yet included, such as school district and public body cooperatives, and co-efficient markups. The definitions will be organized in alphabetical order, with “public body” and “experienced public body” listed together. Within the definition of “public body,” “special purpose districts” do include hospital and school districts. Specifying who is included within “special purpose districts” could have a negative effect. CPARB membership begins on page 4. Ms. Keller said she will forward the applicable public hospital district membership information. The Board’s ability to gather data and maintain records is included in Section 104, as well as the Board having authority to adopt rules necessary to implement the chapter.

Representative Kristiansen asked if the school districts share the public hospital districts desire to vote on Board issues. Mr. Vaught replied not directly. Chair Lynch said public hospitals and school districts are nonvoting members because they have a board. However, the board is being dissolved at this point. Ms. Keller added a major construction industry representative, who is not a member, was the construction management organization. Chair Lynch agreed. He asked members to forward specific suggestions concerning the draft bill to Ms. Deakins, who will then forward the comments to Ms. Reilly. If Ms. Deakins discovers language that the CPARB has not considered, staff will bring the comments before the Board for approval prior to incorporating the comments.

Ms. Reilly and staff discussed new sections on the creation of a new Project Review Committee. Mr. Schaub asked whether Section 106 is the appropriate place to note issues concerning representation on committees and ethical considerations particularly in the private sector. A private sector contractor is only deciding on whether the process is appropriate rather than making a decision concerning a specific project. Chair Lynch said he will note the comment on the issues list.

Related to Section 108, *Project management and contracting requirements*, Mr. Kommers conveyed that the contractor task force is working on changes and that some were accepted specific to GC/CM. The task force agreed with Ms. Reilly that Section “070” didn’t apply to JOC, but did apply to the modified version of GC/CM. Section 108 only applies to DB. Ms. Reilly conveyed she could write a section for project management and contractor requirements in GC/CM and DB and remove it from Section 108.

Ms. Reilly noted language concerning data collection was incorporated within Section 108. However, it could be a separate section. Ms. Reilly reviewed proposed changes to Sections 109, 110, and 111.

Ms. Reilly reviewed proposed DB language and Sections 200, 201, and 202. The project value was changed from \$10 million to \$5 million within section 301, *Requirements for use of the general contractor/construction manager contracting procedure*. Section 302 has to do with contract award. Section 303 is the new section related to MACC. Section 400 addresses JOC. Line 33 on page 25 under Section 401 was changed to include “and renovation” in addition to repair. Section 500 addresses *Other Provisions*. Section 501 was changed to recognize the new sunset date of July 1, 2014. Sections 502 and 503 are cross-referenced to APW. She highlighted certain sections proposed for repeal within Section 506.

Mr. Kommers noted the issues contractors agreed upon at the subcommittee level are not incorporated and there is other language that has not yet been approved by the CPARB.

CPARB FINAL MINUTES

August 10, 2006

Page 8 of 13

Mr. Eng said there may be a need for “transition provisions.” An issue is a GC/CM project that an owner starts on April 1, 2007 and the question of its status on July 15, 2007 and whether it is covered under old or new legislation.

Dick Goldsmith, AWPHD, requested that public hospital district projects approved prior to the new sunset date should not be required to come before the Board again for approval.

Ms. Reilly pointed out that current legislation states that contracts signed prior to July 1, 2007 will fall under the old Revised Code of Washington (RCW) statute.

Ms. Huey said new legislation should address projects that have gone through the request for proposal (RFP) and selection process. Owners don’t want to have to start the process over just because the contract is not signed by July 1, 2007.

Members reviewed *CPARB Issues for Legislation* dated August 10, 2006. The table includes actions taken at CPARB’s July 13, 2006 meeting and where the recommendations are located in the draft legislation. Chair Lynch noted the Reauthorization Subcommittee continues to work on Issue #5, “clarify the definition of eligible projects and owners.” Ms. Deakins clarified the users issue was not discussed at the July meeting because the matter was still in the subcommittee. It is not noted on the working list. Staff will add it as an item to ensure it’s addressed.

There were no further comments concerning the status of issue #12, “A/E part of GC/CM selection team.”

Related to issue #14, “Centralized approval of eligible projects and owners for GC/CM and DB, excludes JOC,” the Board is not at a point of reaching consensus concerning a recommended action. Mr. Eng inquired whether data collection is more for CPARB’s benefit rather than the Project Review Committee’s benefit. The Board could recommend changes to the procurement methods as appropriate depending on the data gathered. Chair Lynch said the committee will act as a central information collection point. The Board will review and use the data.

Mr. Goldsmith said the Board may want to consider its ability to distribute, monitor, and educate others within the powers and duties section of the draft legislation concerning results from data collection. Members were not opposed to placing the matter on the issues review list under review the authorities of CPARB.

Discussion ensued concerning whether to forward data collection information to the review committee. Chair Lynch said the review committee will have the same data available to them as the Board. The review committee is part of CPARB. Mr. Eng conveyed it is important to keep in mind that the authority resides with the CPARB and that the Board will create the review committee that will approve projects.

Members noted future subcommittee work is needed for issue #17, “Mandatory training for public agencies – widen eligibility of owners and number of projects.” Training will not be included in the statute at this time.

The Board discussed issue #20, “Job Order Contracting – Expansion of the number of contracts; increase in the dollar amount of individual work orders.” Chair Lynch noted language is drafted that the Board has not formally approved. The subcommittee will contact additional stakeholders and report to the Board in October.

Mr. Eng suggested forwarding the proposed changes to Ms. Reilly for drafting purposes. Members can review a draft format at the next meeting. The Expansion Subcommittee endorsed raising individual work limits to

CPARB FINAL MINUTES

August 10, 2006

Page 9 of 13

\$350,000 with 90% of the work subcontracted. Ms. Yang said a concern is that members not present at the subcommittee meeting might have opinions concerning the proposed thresholds. The subcommittee's September docket is full.

Discussion followed about issues the Board discussed at the last meeting that are not yet incorporated in the draft language. Ms. Reilly offered to prepare two drafts: one showing recommendations from the subcommittees and one with language approved by the Board.

Mr. Schaub conveyed that the recommended action, "All public bodies are authorized to use JOC, with the assumption that use of JOC will be facilitated for smaller jurisdictions through interlocal agreements with a larger entity such as GA, or cooperative effort between a group of smaller jurisdictions," will be a significant concern to the industry. Ms. Yang said the Expansion Subcommittee could address the issue at the October meeting.

The Board generally agreed and asked Ms. Reilly to prepare a single working draft document delineating language the Board has approved, language approved at the subcommittee level, and language that has not been agreed upon by either.

It was determined that the Board adopted the task force recommendations concerning issues #1 and #4 on page 3, "MACC contingency incentive prohibition (do not use percentage of the MACC for incentive payments to GC/CM)," and "Timing for setting of the MACC (change to 90% CD). However, the recommendations were not incorporated in the draft legislation document. The Board confirmed that issue #6, "Uniformity in use of MACC contingency" will be included in a "recommended practices" policy and not in statute.

The Board discussed issue #9, "Unforeseen market conditions." Chair Lynch said including an escalation clause in state contracts is an issue for the industry and public owners. Most public owners, including GA, do not want to include escalation clauses in the contracts. The recommendation is not to draft statute language to address the issue. Mr. Schaub said he'd like to see permissible language in Chapter 39.10 allowing negotiation between owners and contractors during times of high inflation. Mr. Eng said he believed the Board was close to a resolution. However, the Board could discuss drafting permissible language in statute. The matter ties in better with mandatory training of owners and best practices. Owners need to recognize MACC is not a guarantee because there is the potential for unforeseen conditions.

Chair Lynch said the practice is not currently prohibited. Mr. Schaub said that currently, there is a cement strike related to the delivery of redi-mix. The final outcome will impact future construction projects.

Ms. Huey stated contractors and owners tend to deal with commodities and labor. She said she supports a discussion at the subcommittee level.

Chair Lynch noted members can delete the comment "N/A – will not go into statute" and add, "Reauthorization Subcommittee will discuss further, including guarantee and relief timing" in the "Next Action" column of the issues matrix for issue #9.

Discussion followed on whether to address unforeseen market conditions as an industry-wide issue, King County Council's discomfort with GC/CM and holding contractors to the MACC, and what constitutes "above and beyond."

CPARB FINAL MINUTES

August 10, 2006

Page 10 of 13

Members reviewed the status of item #2 at the bottom of page 3, "Change order administration: a., response time; b., percentage markups." It was determined that more discussion at the task force or subcommittee level is necessary.

Chair Lynch recessed the meeting from 12:00 p.m. to 12:30 p.m. for a lunch break.

Representative Haigh, Senator Rockefeller, and Ms. Huey left the meeting during the lunch break.

Continue Draft Legislation

The Board continued its review of the issues for legislation beginning with the disposition of item #3 at the top of page 4 of the matrix. More discussion at the task force or subcommittee level is needed regarding, "Standard subcontract agreement/form."

Mr. Kommers indicated that issue #7, "Rewrite subcontractor eligibility standards/requirements/qualifications" is under subcommittee discussion.

Mr. Kommers conveyed that issue #8, General conditions need to be better defined" was combined with incorporating negotiated support services language. He said he will follow up with Ms. Reilly. Negotiated support services allow GC/CM to negotiate construction services normally furnished by a general contractor that can't be predicted at the time the MACC is set.

Concerning issue #11, "Elimination of subcontractor listing requirements (39.30.060) from 39.10.061(6) for sub-bids," Mr. Eng said the Board should review Section 39.30.060, as a specific exception might be required because a listing is likely required if the statute is silent. Mr. Eng indicated he would forward draft language to Ms. Reilly via e-mail.

Members discussed qualification issues #10 and #13 on page 4. Chair Lynch said the issue concerning "GC/CM contractor eligibility" is not to restrict new contractors from becoming involved in GC/CM work. Perhaps a CPARB report to the Legislature is appropriate, as contractor eligibility is specifically mentioned in the statute establishing the Board. Dialogue followed concerning rating and minimum criteria and subcontractor requirements. Chair Lynch said the recommended action is no new statute language for "Standardized RFP selection criteria."

Ms. Yang briefed the Board on the status of establishing a GC/CM training class together with two sessions- a one-day training event in the fall in Seattle, followed by a series of evening classes (28 to 32 hours) in early 2007. The program requires faculty and students representing owners, contractors, subcontractors, and design focus groups discussing information about best practices and recommendations. If members agree, she offered to collect and incorporate best practices recommendations.

Mr. Goldsmith asked if consideration was given to extended education in rural areas with sites that connect to the University of Washington. Ms. Yang replied the proposed training program is a pilot effort. Depending on the interest, other options could become available.

Mr. Eng referred to issue #16 at the top of page 5, "Mandatory periodic legislative evaluation process of APW" and said the legislation proposes a new seven-year sunset. It should be six years. A seven-year sunset results in periodic short sessions. Ms. Reilly said another consideration is whether a sufficient number of Joint

CPARB FINAL MINUTES

August 10, 2006

Page 11 of 13

Legislative Audit and Review Committee (JLARC) projects would result in a six-year period. Chair Lynch noted the Board previously approved a six-year sunset.

The current approach for data collection addresses issue #18, "User funded evaluations of projects." Members discussed whether GA will have the necessary funding for analyzing data. No specific statute change is recommended. Specific to issue #19, "Ongoing data collection and reporting," Chair Lynch noted it is defined as a CPARB duty and is included in the draft legislation. Discussion ensued about collecting data on DB projects. Chair Lynch said he doesn't believe the Board will encounter difficulty collecting the information.

Ms. Septelka said there are concerns by some entities on providing information for DBB projects and an additional oversight. Wording should be specific concerning the submittal information.

Mr. Kommers said data are not available to compare DBB and GC/CM contracting because the projects are unique. There is a large contingency of specialty contractors interested in collecting data on DBB jobs and then evaluating whether the procurement method is a good idea.

Mr. Eng said it should be clear that owners and "teams" using "39.10" must submit information. An equal number of DBB projects compared to APW projects appear reasonable.

Ms. Crowson indicated the Board should collect as much of the affirmative action information related to subcontractors as possible. Those entities using "39.10" should report on all of their projects. The data collected on DBB projects will help to defend both discrimination and anti-discrimination lawsuits.

Chair Lynch questioned how including mandatory language in 39.10 becomes binding upon owners and others that participate. Mr. Rawe suggested including the requirement within contract submittal documents. Conversation ensued concerning appropriate language, the need to define DBB projects, and an additional reporting requirement for owners and contractors. Chair Lynch suggested the recommended action should state, "The Data Collection Subcommittee will work to draft legislation concerning the issue."

The Board reviewed and briefly discussed the status of Expansion Subcommittee issues listed on page 5 of the matrix.

Members reviewed new Reauthorization Subcommittee issues identified since the last Board meeting:

- **Create project management specifics for GC/CM (071).** Mr. Kommers said the task force and subcommittee agreed on revised language for GC/CM that should be forwarded to Ms. Reilly and incorporated in the draft language.
- **Revise project management specifics only apply to GC/CM (071-1a).**
- **Public owner to employ staff with expertise (071-1e).** The same comments from item #1 above also apply to the issue.
- **Purchase of equipment to comply with 061-6 and 7 (071-1m).** Mr. Kommers said the task force and subcommittee developed revised language addressing the issue. He will forward the revised wording to Ms. Deakins. Mr. Kommers provided a history of the issue for Board members.
- **Revise language to reflect that purchase of equipment is included in self-performed work (061-7).** The same comments from issue #4 above apply to the item.
- **A review of design documents by public body.** The issue is addressed as part of Section 108. It has been approved at the task force and subcommittee levels.

CPARB FINAL MINUTES

August 10, 2006

Page 12 of 13

Chair Lynch requested Mr. Kommers “bundle” the language recommendations and e-mail the information to Ms. Deakins with a copy to Ms. Reilly to incorporate into draft language for CPARB’s next meeting.

Chair Lynch reviewed his notes related to issues discussed at last Reauthorization Subcommittee meeting:

- **Excluding direct general conditions from the 30%.** Mr. Kommers replied negotiated support services was discussed and clarified. The general conditions were never a part of the 30%.
- **Distribute the draft in a WORD document format rather than a pdf file.** Mr. Kommers said he could forward his “marked up” pdf copy to Ms. Deakins for Ms. Reilly. A WORD format is more convenient for “cutting and pasting” purposes. Ms. Reilly indicated she would follow up with the format request.
- **Total project cost.** There were previous discussions that earlier versions of 39.10 mentions a \$10 million project, but it doesn’t define what it means. It was decided that it means total project funding excluding land acquisition and financing costs. Ms. Reilly said it is defined in the draft legislation. Mr. Kommers noted the word “value” should be changed within line 8 on page 17.

Industry-Wide Issues

Chair Lynch reported Mr. Absher prepared the CPARB “Members’ Prioritized List of Industry-wide Issues” document dated September 29, 2005. He asked if the Board wanted to establish a subcommittee to address the issues following resolution of the matters currently under consideration for legislation.

Mr. Johnson said CPARB should review the issues prior to next fall and establish a new committee to evaluate the topics. Discussion ensued concerning whether to divide the 28 subjects into subsets. Mr. Johnson said when CPARB began, members talked about traditional contracting methods; however, he’s not sure the items are listed in the priority initially established. There are issues related to prompt pay, rejecting all bids, and bid shopping, to name a few. The responsible bidder language in traditional DBB is an important issue to his constituents. He said he thought the Board would appoint another subcommittee last March to talk about traditional bidding. Traditional contracting methods are as equally important as GC/CM and DBB. Mr. Schaub noted the list is not prioritized. Similar issues were grouped together.

Mr. Bowman, AIA WA Council, reported the list does not reflect all matters previously raised by the architects. Chair Lynch noted the list might not be complete. Discussion ensued concerning the sources used to develop the list.

Mr. Eng suggested the Board review the list and schedule “industry-wide issues” as a topic for September’s meeting.

Members discussed leading a new subcommittee and whether there are existing forums that could address some of the issues. Mr. Schaub said that Mr. Absher has an interest in the issues. Some members suggested CPARB should refine the list prior to prioritizing the issues and assigning members to a subcommittee.

Mr. Schaub commented that the “environmental permitting process” continues to slow down development and permitting of projects and should be a concern for all public agencies. The model developed by the Transportation Permit Efficiency and Accountability Committee ought to be applicable across the board to streamline and standardize the project permitting process.

Daniel Absher, Dave Johnson, Carolyn Crowson, Butch Reifert, and Olivia Yang volunteered to develop a strategy to address the issues identified on the list for the Board’s September meeting. Representative

CPARB FINAL MINUTES

August 10, 2006

Page 13 of 13

Kristiansen suggested members could identify their top two issues, which would narrow the number of topics from 28 to approximately 10.

Further discussion of the status of a few of the industry-wide issues followed. Ms. Yang suggested members could conduct a “working lunch” on September 7, 2006 and discuss the subjects.

Set Next Meeting Agenda

Chair Lynch reported the agenda for the September 14, 2006 meeting will be similar to the August agenda.

Adjournment

Chair Lynch adjourned the meeting at 1:38 p.m.

John Lynch, Chair, CPARB

Prepared by Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services